

### *Calls for Immediate Action to Prevent Significant Premium Increases for Laid-off Workers*

December 08, 2009

WASHINGTON, DC—

In a speech on the floor of the U.S. House of Representatives this morning, Congressman Joe Sestak (PA-07) reiterated his call to pass legislation extending COBRA premium assistance, which has provided expanded healthcare coverage for unemployed workers during the ongoing economic crisis. Earlier this week, Representatives Barney Frank (MA-04), Lloyd Doggett (TX-25) and John Lewis (GA-05) added their names to Congressman Sestak's Extended COBRA Continuation Protection Act, which would extend COBRA assistance.

"We must act quickly to address this critical matter for working families, or risk jeopardizing the health and economic security of millions of Americans," said Congress Sestak. "Those fired earliest in the recession, and now losing these COBRA benefits, are now faced with premiums three times what they were last month. One example is a young woman in my district, forced to rely on COBRA at a cost of \$535 per month. If the subsidy runs out, that will rise to more than \$1,500 a month. Because of pre-existing conditions, she is unable to switch health care providers."

In October, Congressman Sestak introduced H.R. 3930, the Extended COBRA Continuation Protection Act of 2009, to ensure continued assistance for unemployed workers to purchase health insurance. The bill extends COBRA benefits through three main provisions. First, it extends by 6 months-- from 9 to 15 months-- the total allowable time an unemployed worker can receive COBRA premium assistance. This will allow workers who enrolled in the program in February to continue on until at least May 2010. Second, it extends this assistance to individuals who are involuntarily terminated between January 1 and June 30, 2010. Third, it extends eligibility for traditional COBRA coverage an additional 6 months, from 18 to 24 months, for those terminated at the beginning of the economic recession in 2008. No extended COBRA premium assistance or extended COBRA benefits would extend beyond December 31, 2010. "Losing health care coverage is something Americans should not have to cope with while facing the worst economic crisis since the Great Depression," said Congressman Sestak.

Congressman Sestak has advocated for expanded COBRA benefits since entering office. He introduced H.R.694, the COBRA Coverage Extension Act of 2009, which would have extended COBRA coverage to 24 months. Further, he supported an amendment to H.R. 3200, the America's Affordable Health Choices Act, allowing individuals currently receiving COBRA health insurance coverage to stay on that coverage until new health insurance exchanges are in place. This amendment was adopted in the House Education and Labor Committee on which Congressman Sestak is serving his second term as a member.

Full text of floor statement:

I rise today to address the urgent need to pass the Extended COBRA Continuation Protection Act of 2009, which I introduced in October to help more Americans keep their health coverage in this difficult time. A companion bill has been introduced in the Senate by Senators Sherrod Brown, of Ohio, and Bob Casey, of Pennsylvania.

We must act quickly. Extended COBRA benefits that were included in the Economic Stimulus Bill have already begun to run out on some Americans hurt by the recession.

Losing one's job is difficult enough. But losing one's health care along with it -- and worrying about being able to get treatment for oneself and one's family, or fearing bankruptcy in the event of injury or illness -- is something Americans should not have to cope with in this difficult time.

This legislation will help ease that burden. It will extend by six months the Stimulus provision that pays for 65 percent of health insurance premiums for COBRA beneficiaries who have been involuntarily terminated during the recession. It will help those who lost their jobs at the beginning of the recession, as well as those who may become unemployed through next June.

Those hit early are now faced with COBRA premiums three times what they were last month. For an average family of four, that means a monthly premium of \$1,200. Those who have struggled to find work are least able to cope with these costs. With nearly 15 million Americans looking for work, and more than 5 million Americans facing unemployment of longer than 27 weeks, more and more families will face this agonizing situation in the coming weeks and months if we fail to act.

Hundreds of Americans from all across the country have contacted my office because they cannot afford this expense on their own. If forced to drop their health care, many with pre-existing conditions will not be able to get coverage again in the individual market. A young woman in my district recently faced a medical emergency that forced her to rely on COBRA at a cost of \$535 per month. If the subsidy runs out, that will rise to more than \$1,500 a month. Because of pre-existing conditions, she is unable to switch health care providers.

Hardworking people who have suffered most from the mistakes of others should not have to decide between trying to meet an enormous expense or going without health care. Neither comprehensive health care reform bill moving through Congress includes provisions to extend COBRA subsidies and, even if they did, they would not come into effect soon enough. We have to act quickly on this as a stand-alone measure or an amendment to a larger bill.

This legislation is important to keeping our commitment to America's working families who were the engine of our prosperity but are now, through no fault of their own, still bearing the brunt of this recession.

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[Click here](#) view Congressman Sestak's speech.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government*

*from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress. ###*